



OVERVIEW - ARIZONA STATE LAND DEPARTMENT ROLE IN RENEWABLE ENERGY

February 11, 2010

ROLE IN SITING, PRODUCTION AND/OR TRANSMISSION:

Trust Land Development – ASLD works with renewable energy developers to identify potential sites for utility-scale power generation on State Trust Lands. During its review of solar lease and wind right-of-way applications for renewable energy development ASLD considers the viability and income potential of the proposed use; archaeology; hydrology; geology; topography; drainage; impacts to adjacent State Trust Lands; availability of utilities / infrastructure; proximity to existing and proposed transmission lines and substations; proximity to existing development; access; parcel size; and conformity with local jurisdiction regulations. During the application process, ASLD solicits comments from entities that may be impacted by the potential use. ASLD requires its applicants perform extensive due diligence on the proposed site. ASLD and its applicant negotiate the terms of a commercial lease for solar or right-of-way for wind development which will be presented to the Board of Appeals for consideration and approval. Once approved, a solar lease will be offered to the highest bidder at public auction. Wind rights-of-way for terms less than 50 years do not go to auction. ASLD will support its lessee/grantee in securing entitlements and permitting for the proposed development.

GIS – Because of its experience in Geographic Information Systems (GIS) technologies ASLD could provide assistance in helping agencies to develop and acquire GIS data to analyze siting, production and transmission issues in a more coordinated and expedient fashion.

EXPERIENCE IN THIS AREA TO DATE:

Trust Land Development – ASLD recently partnered with Iberdrola Renewables and the Bureau of Land Management (BLM) on the first commercial-scale renewable energy project in Arizona, the Dry Lake Wind Power Project, situated on federal, state and private lands in Navajo County. ASLD also recently participated in the preparation of the September 2009 Final Report of the Arizona Renewable Resource and Transmission Identification Subcommittee. ASLD has 20 active solar lease applications and 10 active wind right-of-way applications for development of renewable energy generation facilities on State Trust Lands.

GIS – ASLD is familiar with much of the previous work done in the application of GIS in this area.

KNOWN FUTURE INVOLVEMENT:

Trust Land Development – ASLD continues to pursue relationships with renewable energy developers, electrical utilities, resource management agencies, environmental advocacy groups, consultants, and other interested stakeholders on a broad spectrum of topics related to the expansion of renewable energy development on State Trust Lands.

GIS – ASLD has proposed the development of a shared (GIS) data base, data exchange and mapping system for use by multiple agencies to facilitate the development of Arizona's renewable energy resource. ASLD proposes to work with many stakeholder agencies in the development of the shared system.

FELLOW AGENCIES YOU MOST OFTEN DEAL WITH:

Trust Land Development – ASLD consults with resource management agencies, such as the Departments of Environmental Quality (ADEQ), Water Resources (ADWR), and the Game and Fish to address potential concerns on a site-specific basis. ASLD also meets with environmental advocacy groups to identify potential concerns in a broader context. Recently, ASLD met with BLM to discuss the latter's Restoration Design Energy Project and continues to coordinate with BLM on a variety of issues.

PERCEIVED OPPORTUNITIES AND OBSTACLES:

Trust Land Development – ASLD views its applicants' inability to obtain financing as a major obstacle to development of commercial-scale renewable energy generation. Consequently, ASLD sees opportunities for smaller generation facilities tying directly into distribution systems.

GIS - Through the potential availability of federal stimulus funds there exists an opportunity to develop the coordinated GIS data repository and mapping system described above. ASLD will need to complete the acquisition of federal funding and state approvals to move forward. It would also need to develop the formal assistance of many agencies both from a needs requirements and a technical assistance perspective.

PROPOSED SOLUTIONS FOR OBSTACLES:

Trust Land Development – ASLD believes further inter-agency coordination is needed to facilitate future development of Arizona's renewable resources.

GIS – Complete the required arrangements to secure funding and approval of the proposed GIS system. Develop a formal mechanism to acquire needs definitions and sharable data from a variety of stakeholders. ASLD would propose to ask for the assistance of the Solar Cabinet agencies in this effort.